



PUBLIC DISCLOSURE

October 21, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Battle Creek State Bank
RSSD# 986757

202 West Main Street
Battle Creek, Nebraska 68715

Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198

NOTE: This document is an evaluation of this bank's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

Battle Creek State Bank (the bank) is rated **Satisfactory**. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's net loan-to-deposit ratio (NLTD) is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's loans are originated inside the AA.
- A reasonable distribution of loans occurs throughout the bank's AA.
- Lending reflects a reasonable distribution among farms of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City (Reserve Bank) received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs. In addition, available aggregate data for the most recent three years (2020, 2021, and 2022) was referenced for additional perspective to gauge credit demand within the bank's AA. Lending performance was assessed within the bank's single AA. Examiners reviewed the following data:

- The bank's 18-quarter average NLTD ratio,
- A statistically derived sample of 47 small business loans was selected from a universe of 62 loans originated between January 1, 2023, and December 31, 2023, and a sample of 69 small farm loans was selected from a universe of 104 loans originated between November 3, 2020, and December 31, 2023.

Small business lending was not evaluated under the geographic and borrower distribution of loans performance criteria as the volume of small business loans originated within the AA was insufficient to provide a meaningful analysis. Thus, small farm lending was the only product evaluated in these sections and received more weight in the evaluation.

DESCRIPTION OF INSTITUTION

Battle Creek State Bank is a community bank headquartered in Battle Creek, Nebraska. The bank’s characteristics include:

- The bank is a wholly owned subsidiary of Battle Creek State Company, Inc.
- The bank has total assets of \$42.3 million as of June 30, 2024.
- The bank operates from a single location in Battle Creek which also offers a cash only automated teller machine.
- As shown in the table below, the bank’s primary business focus is commercial lending, which predominantly consists of nationwide aircraft loans. The bank’s primary focus within its AA is agricultural lending.

Table 1

Composition of Loan Portfolio as of June 30, 2024		
Loan Type	\$(000)	%
Construction and Land Development	0	0.0
Farmland	1,407	5.1
1- to 4-Family Residential Real Estate	366	1.3
Multifamily Residential Real Estate	0	0.0
Nonfarm Nonresidential Real Estate	909	3.3
Agricultural	617	2.3
Commercial and Industrial	23,755	86.9
Consumer	280	1.0
Other	0	0.0
Gross Loans	27,334	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank was rated Satisfactory under the CRA at its November 2, 2020, performance evaluation. There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

DESCRIPTION OF ASSESSMENT AREA

The bank’s Madison County AA consists of Madison County, Nebraska in its entirety, which is unchanged since the prior examination (see Appendix A for an AA map and Appendix B for additional demographic data).

- The AA consists of two moderate-, five middle-, and two upper-income census tracts. While the overall makeup of the tracts is unchanged since the prior examination, one middle-income tract changed to upper-income, while an upper-income tract changed to middle-income following the 2020 American Community Survey.
- According to the June 30, 2023, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank is ranked 12th out of 15 FDIC-insured institutions operating in the AA, with a market share of 1.5 percent.
- Two interviews conducted with members of the communities as part of CRA evaluations for other area financial institutions were reviewed to ascertain the credit needs of the communities, the responsiveness of area banks in meeting those needs, and the local economic conditions. The community members represent an organization focused on area agriculture operations and an organization focused on housing within the area.

Table 2

Population Change			
Assessment Area: Madison County			
Area	2015 Population	2020 Population	Percent Change
Madison County	35,111	35,585	1.4
NonMSA Nebraska	679,331	672,190	(1.1)
Nebraska	1,869,365	1,961,504	4.9
<i>Source: 2020 U.S. Census Bureau: Decennial Census 2011-2015 U.S. Census Bureau: American Community Survey</i>			

- The population within the AA remained stable from 2015 to 2020 with over 70 percent of the AA’s population located in Norfolk, Nebraska.
- Of the 15 institutions operating within the AA, 11 have branch locations in Norfolk, Nebraska and are more easily positioned to be able to serve this portion of the AA’s population. A community member confirmed that there is a large amount of competition in the Norfolk area and that banks are efficient at servicing locals on all types of credit needs.

Table 3

Median Family Income Change			
Assessment Area: Madison County			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Madison County	67,293	70,228	4.4
NonMSA Nebraska	67,146	71,424	6.4
Nebraska	73,448	80,125	9.1

*Source: 2011-2015 U.S. Census Bureau: American Community Survey
2016-2020 U.S. Census Bureau: American Community Survey*

Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.

- The median family income within the AA is comparable to that of non-metropolitan areas statewide while the percent of families living below the poverty level within the AA, at 8.8 percent, is slightly higher than non-metropolitan areas statewide, at 7.1 percent.

Table 4

Housing Cost Burden						
Assessment Area: Madison County						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Madison County	62.6	15.8	30.8	58.5	22.0	16.8
NonMSA Nebraska	62.8	15.0	30.7	55.5	19.3	15.4
Nebraska	71.4	24.2	36.2	60.6	26.7	15.9

Cost Burden is housing cost that equals 30 percent or more of household income.

Source: U.S. Department of Housing and Urban Development (HUD), 2016-2020 Comprehensive Housing Affordability Strategy

- The median housing value in the AA, at \$155,215, is higher than that of non-metropolitan areas statewide, at \$126,095 and the AA has a lower level of vacant units, at 7.9 percent, compared with non-metropolitan areas statewide, at 14.2 percent.

Table 5

Unemployment Rates					
Assessment Area: Madison County					
Area	2018	2019	2020	2021	2022
Madison County	2.6	2.9	3.9	2.6	2.1
NonMSA Nebraska	2.8	3.0	3.5	2.3	2.2
Nebraska	2.9	3.1	4.3	2.7	2.3

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- Major employers in the AA include Tyson Fresh Meats, Inc., Faith Regional Health Services, Northeast Community College, Norfolk Public Schools, and Nucor Steel Division.

Table 6

Small Business Loan Trends					
Assessment Area: Madison County					
Area	2017	2018	2019	2020	2021
Madison County	523	554	531	536	601
NonMSA Nebraska	10,085	10,462	10,659	12,031	13,214
Nebraska	28,808	30,337	31,801	36,238	39,566

Source: FFIEC CRA Aggregate Data

- According to 2021 Dun and Bradstreet data, the AA contained 1,689 businesses of which 1,350, or 79.9 percent, operated in the seven census tracts in and immediately around Norfolk, Nebraska.
- Similarly, in 2021, over 70 percent (464 loans) of the small business loans reported by CRA reporters were originated in these census tracts in and around Norfolk.

Table 7

Small Farm Loan Trends					
Assessment Area: Madison County					
Area	2017	2018	2019	2020	2021
Madison County	201	180	159	175	273
NonMSA Nebraska	9,608	8,819	8,697	8,922	12,346
Nebraska	11,052	10,204	9,962	10,438	14,373

Source: FFIEC CRA Aggregate Data

- According to 2021 Dun and Bradstreet data, the AA contained 166 farms. As shown in the table above, CRA reporters originated 273 loans to these farms.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank’s overall lending test performance is Satisfactory. This conclusion was based on a reasonable NLTD ratio, a majority of loans originated within the bank’s AA, as well as reasonable geographic and borrower distributions of lending. Greater consideration was given to the volume of loan originations than the dollar amount, as it is more representative of the number of entities served.

For the geographic and borrower distribution analyses, conclusions were based on lending from the entire review period. However, only 2022 and 2023 lending tables are presented in the body of this report, with analysis of the bank’s 2020 and 2021 performance compared to that of 2022 and 2023. Lending for 2021 is shown in the appendix while no loans in the sample were from 2020.

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and in comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size of \$150 million or less, branch operations in the AA or immediately surrounding counties, and loan portfolio concentration in commercial and agricultural lending.

The bank’s NLTD ratio is reasonable as the bank’s ratio is within the range of the similarly situated banks.

Table 8

Comparative NLTD Ratios March 31, 2020 – June 30, 2024			
Institution	Location	Asset Size \$(000)	NLTD Ratio (%)
			18 Quarter Average
Battle Creek State Bank	Battle Creek, Nebraska	42,258	80.4
Similarly Situated Institutions			
First Bank & Trust Company of Fullerton	Fullerton, Nebraska	100,221	92.3
Bank of Elgin	Elgin, Nebraska	78,644	73.2
Bank of Orchard	Orchard, Nebraska	35,052	27.4

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. Overall, the bank originated a majority of loans by number inside the AA while a majority of loans by dollar amount are outside the AA. A majority of the small business loans evaluated were originated outside of the bank’s AA which was driven by the bank’s niche focus on nationwide aircraft lending.

Table 9

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Small Business	7	14.9	361	4.0	40	85.1	8,672	96.0
Small Farm	58	84.1	3,466	81.7	11	15.9	777	18.3
Total Loans	65	56.0	3,827	28.8	51	44.0	9,449	71.2
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AA by income level of census tracts with consideration given to the dispersion of loans throughout the AA. The bank’s geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA.

Small Farm Lending

The geographic distribution of small farm lending is reasonable. In 2022 and 2023, the bank had no small farm loan originations in the AA’s two moderate-income tracts which is below the percent of farms operating in these tracts. The two moderate-income tracts are located in and immediately around Norfolk, Nebraska and contain limited farm operations. According to Dun and Bradstreet data for 2023, only ten farms operate in these two census tracts, resulting in minimal demand for small farm credit. In 2020 and 2021, the bank originated two small farm loans in moderate-income tracts resulting in performance that is consistent with its performance in 2022 and 2023.

Throughout the entire review period, a conspicuous gap in lending was identified in the seven census tracts in the northeast corner of the AA, which includes Norfolk and the immediately surrounding area as well as the AA’s two moderate-income tracts. This area contains only 60 of the AA’s farms (35.3 percent) according to 2023 Dun and Bradstreet data and has limited demand for agricultural credit. As a result, this gap did not negatively impact the geographic distribution conclusion.

Table 10

Distribution of 2022 and 2023 Small Farm Lending By Income Level of Geography Assessment Area: Madison County									
Geographic Income Level	Bank Loans By Year								Total Farms %
	2022				2023				
	#	#%	\$(000)	\$%	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0	5.9
Middle	14	100.0	513	100.0	19	100.0	1,937	100.0	74.7
Upper	0	0.0	0	0.0	0	0.0	0	0.0	19.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	0	0.0	0	0.0	
Total	14	100.0	513	100.0	19	100.0	1,937	100.0	100.0

Source: 2023 FFIEC Census Data
2023 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Lending to Farms of Different Sizes

This performance criterion evaluates the bank’s lending to farms of different revenue sizes. The bank’s lending has a reasonable distribution among farms of different sizes.

Small Farm Lending

The borrower distribution of small farm lending is reasonable. In 2022 and 2023, the bank’s distribution of lending to farms with revenues of \$1 million or less was comparable to the percentage of area farms with revenues of \$1 million or less. The bank’s performance in 2020 and 2021 was consistent with performance in 2022 and 2023.

Table 11

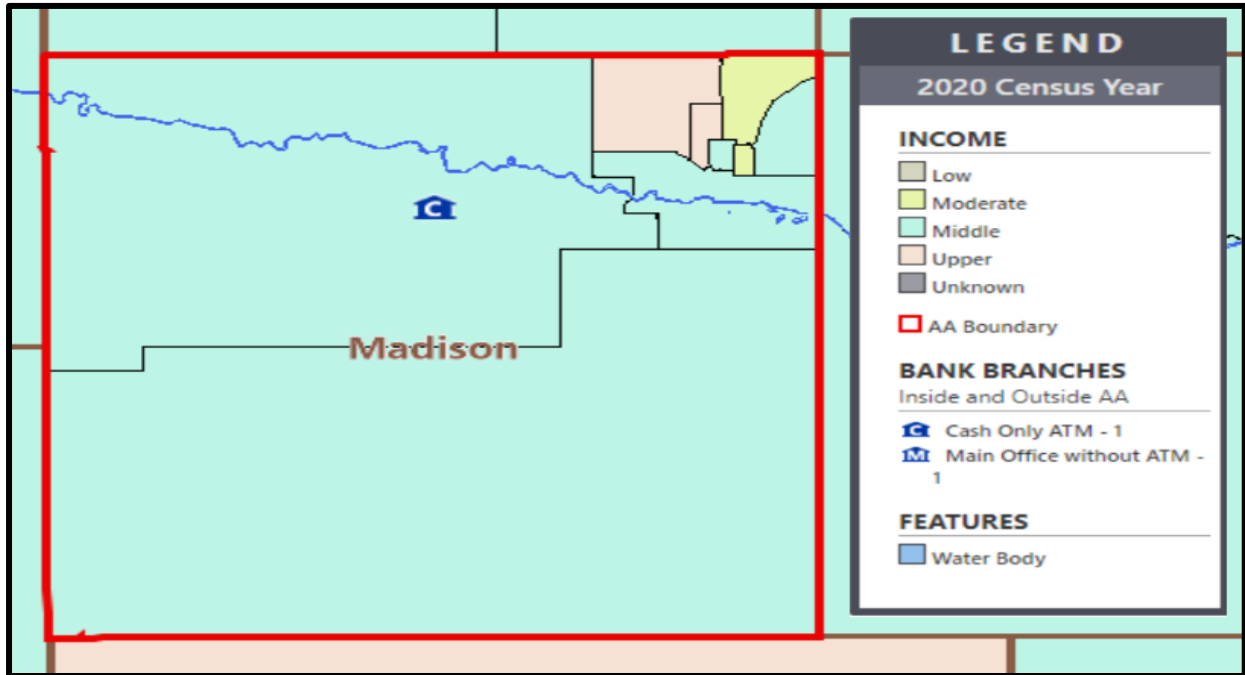
Distribution of 2022 and 2023 Small Farm Lending By Revenue Size of Farms									
Assessment Area: Madison County									
	Bank Loans By Year								Total Farms %
	2022				2023				
	#	#%	\$(000)	\$%	#	#%	\$(000)	\$%	
By Revenue									
\$1 Million or Less	13	92.9	313	61.0	16	84.2	1,393	71.9	99.4
Over \$1 Million	1	7.1	200	39.0	3	15.8	545	28.1	0.6
Revenue Unknown	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Total	14	100.0	513	100.0	19	100.0	1,937	100.0	100.0
By Loan Size									
\$100,000 or Less	13	92.9	313	61.0	14	73.7	438	22.6	
\$100,001 - \$250,000	1	7.1	200	39.0	2	10.5	375	19.4	
\$250,001 - \$500,000	0	0.0	0	0.0	3	15.8	1,125	58.1	
Total	14	100.0	513	100.0	19	100.0	1,937	100.0	
By Loan Size and Revenue \$1 Million or Less									
\$100,000 or Less	13	100.0	313	100.0	12	75.0	343	24.6	
\$100,001 - \$250,000	0	0.0	0	0.0	2	12.5	375	26.9	
\$250,001 - \$500,000	0	0.0	0	0.0	2	12.5	675	48.5	
Total	13	100.0	313	100.0	16	100.0	1,393	100.0	
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.									

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

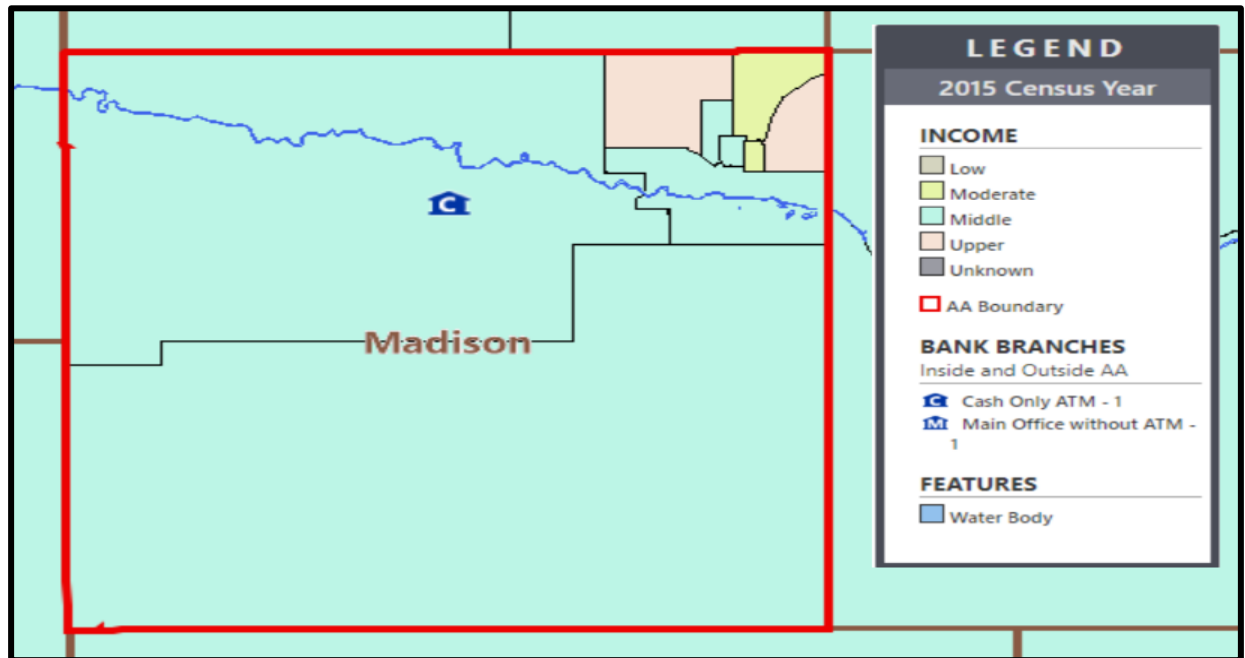
Compliance with the substantive provisions of antidiscrimination and other consumer protection laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act, was considered as part of this CRA evaluation. No evidence of a pattern or practice of discrimination on a prohibited basis or of other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA

Map A-1
2022-2023



Map A-2
2020-2021



APPENDIX B – DEMOGRAPHIC INFORMATION

Table B-1

2023 Madison County AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	1,597	18.7
Moderate	2	22.2	1,394	16.4	201	14.4	1,718	20.2
Middle	5	55.6	4,928	57.8	412	8.4	1,876	22.0
Upper	2	22.2	2,202	25.8	135	6.1	3,333	39.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	9	100.0	8,524	100.0	748	8.8	8,524	100.0
Housing Units by Tract	Housing Type by Tract							
	Owner-occupied				Rental		Vacant	
	#	% by tract	% by unit	#	% by unit	#	% by unit	
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	3,081	1,206	12.5	39.1	1,468	47.6	407	13.2
Middle	8,902	5,990	62.3	67.3	2,258	25.4	654	7.3
Upper	3,423	2,426	25.2	70.9	839	24.5	158	4.6
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	15,406	9,622	100.0	62.5	4,565	29.6	1,219	7.9
Total Businesses by Tract	Businesses by Tract & Revenue Size							
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	417	25.6	365	25.2	50	29.9	2	11.8
Middle	887	54.4	780	53.9	95	56.9	12	70.6
Upper	326	20.0	301	20.8	22	13.2	3	17.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,630	100.0	1,446	100.0	167	100.0	17	100.0
Percentage of Total Businesses:				88.7		10.2		1.0
Total Farms by Tract	Farms by Tract & Revenue Size							
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	10	5.9	10	5.9	0	0.0	0	0.0
Middle	127	74.7	126	74.6	1	100.0	0	0.0
Upper	33	19.4	33	19.5	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	170	100.0	169	100.0	1	100.0	0	0.0
Percentage of Total Farms:				99.4		0.6		0.0
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Table B-2

2022 Madison County AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	1,597	18.7
Moderate	2	22.2	1,394	16.4	201	14.4	1,718	20.2
Middle	5	55.6	4,928	57.8	412	8.4	1,876	22.0
Upper	2	22.2	2,202	25.8	135	6.1	3,333	39.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	9	100.0	8,524	100.0	748	8.8	8,524	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied		Rental		Vacant		
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	3,081	1,206	12.5	39.1	1,468	47.6	407	13.2
Middle	8,902	5,990	62.3	67.3	2,258	25.4	654	7.3
Upper	3,423	2,426	25.2	70.9	839	24.5	158	4.6
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	15,406	9,622	100.0	62.5	4,565	29.6	1,219	7.9
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	429	25.9	377	25.7	50	29.1	2	11.1
Middle	902	54.4	790	53.8	100	58.1	12	66.7
Upper	328	19.8	302	20.6	22	12.8	4	22.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,659	100.0	1,469	100.0	172	100.0	18	100.0
Percentage of Total Businesses:				88.5		10.4		1.1
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	10	6.0	10	6.0	0	0.0	0	0.0
Middle	125	74.9	125	74.9	0	0.0	0	0.0
Upper	32	19.2	32	19.2	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	167	100.0	167	100.0	0	0.0	0	0.0
Percentage of Total Farms:				100.0		0.0		0.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Table B-3

2021 Madison County AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	1,838	20.1
Moderate	2	22.2	1,551	17.0	275	17.7	1,546	16.9
Middle	5	55.6	5,390	58.9	536	9.9	2,190	23.9
Upper	2	22.2	2,204	24.1	84	3.8	3,571	39.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	9	100.0	9,145	100.0	895	9.8	9,145	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	3,049	1,197	13.2	39.3	1,592	52.2	260	8.5
Middle	8,429	5,450	59.9	64.7	2,283	27.1	696	8.3
Upper	3,592	2,446	26.9	68.1	1,039	28.9	107	3.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	15,070	9,093	100.0	60.3	4,914	32.6	1,063	7.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	424	25.1	370	24.8	53	29.3	1	5.3
Middle	880	52.1	772	51.8	95	52.5	13	68.4
Upper	385	22.8	347	23.3	33	18.2	5	26.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,689	100.0	1,489	100.0	181	100.0	19	100.0
Percentage of Total Businesses:				88.2		10.7		1.1
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	6	3.6	6	3.6	0	0.0	0	0.0
Middle	135	81.3	135	81.3	0	0.0	0	0.0
Upper	25	15.1	25	15.1	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	166	100.0	166	100.0	0	0.0	0	0.0
Percentage of Total Farms:				100.0		0.0		0.0
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Table B-4

2020 Madison County AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	1,838	20.1
Moderate	2	22.2	1,551	17.0	275	17.7	1,546	16.9
Middle	5	55.6	5,390	58.9	536	9.9	2,190	23.9
Upper	2	22.2	2,204	24.1	84	3.8	3,571	39.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	9	100.0	9,145	100.0	895	9.8	9,145	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	3,049	1,197	13.2	39.3	1,592	52.2	260	8.5
Middle	8,429	5,450	59.9	64.7	2,283	27.1	696	8.3
Upper	3,592	2,446	26.9	68.1	1,039	28.9	107	3.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	15,070	9,093	100.0	60.3	4,914	32.6	1,063	7.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	430	24.7	373	24.3	56	29.6	1	5.0
Middle	909	52.2	795	51.9	100	52.9	14	70.0
Upper	403	23.1	365	23.8	33	17.5	5	25.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,742	100.0	1,533	100.0	189	100.0	20	100.0
Percentage of Total Businesses:				88.0		10.8		1.1
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	7	4.1	7	4.1	0	0.0	0	0.0
Middle	137	80.6	136	80.5	1	100.0	0	0.0
Upper	26	15.3	26	15.4	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	170	100.0	169	100.0	1	100.0	0	0.0
Percentage of Total Farms:				99.4		0.6		0.0
Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

APPENDIX C – ADDITIONAL LENDING TABLES

Table C-1

Distribution of 2021 Small Farm Lending By Income Level of Geography					
Assessment Area: Madison County					
Geographic Income Level	Bank Loans				Total Farms %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	2	8.0	42	4.1	3.6
Middle	23	92.0	974	96.0	81.3
Upper	0	0.0	0	0.0	15.1
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	25	100.0	1,015	100.0	100.0

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.
No Small Farm lending occurred in 2020.

Table C-2

Distribution of 2021 Small Farm Lending By Revenue Size of Farms					
Assessment Area: Madison County					
	Bank Loans				Total Farms %
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	24	96.0	995	98.0	100.0
Over \$1 Million	1	4.0	21	2.1	0.0
Revenue Unknown	0	0.0	0	0.0	0.0
Total	25	100.0	1,015	100.0	100.0
By Loan Size					
\$100,000 or Less	23	92.0	578	56.9	
\$100,001 - \$250,000	1	4.0	185	18.2	
\$250,001 - \$500,000	1	4.0	252	24.8	
Total	25	100.0	1,015	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	22	91.7	558	56.1	
\$100,001 - \$250,000	1	4.2	185	18.6	
\$250,001 - \$500,000	1	4.2	252	25.3	
Total	24	100.0	995	100.0	

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.
No Small Farm lending occurred in 2020.

APPENDIX D – GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-scope review: Performance is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan area (NonMSA): Any area that is not located within an MSA.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as 'small business loans' if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the Consolidated Reports of Condition and Income (Call Report) instructions. These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.